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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/098,678	03/14/2002	Mark Laycock	32414.	5695

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EXAMINER


SNAPP, SANDRA S

ART UNIT PAPER NUMBER

3624

DATE MAILED: 09/23/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b> 10/098,678	<b>Applicant(s)</b> LAYCOCK, MARK	
	<b>Examiner</b> Sandra Snapp	<b>Art Unit</b> 3624	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) ☒ Responsive to communication(s) filed on 14 March 2002.  
2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.  
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) ☒ Claim(s) 1-9 is/are pending in the application.  
4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.  
5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.  
6) ☒ Claim(s) 1-9 is/are rejected.  
7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.  
8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) ☐ The specification is objected to by the Examiner.  
10) ☒ The drawing(s) filed on 14 March 2002 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).  
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☒ All    b) ☐ Some \*    c) ☐ None of:  
1. ☒ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date <u>6-30-03</u> . | 6) <input type="checkbox"/> Other: _____  |

## **DETAILED ACTION**

This Office Action acknowledges the Preliminary Amendment file in the application on 3-14-02.

### ***Specification***

The newly amended specification is objected to as containing new matter. Specifically, On page 11 of the preliminary amendment, the phrase “legal risk,” and On page 12, the phrase “or agreement between the parties” are considered to be new matter as they were not previously identified in the specification or claims, nor is there antecedent basis for the phrases. As such, the phrases should be cancelled.

### ***Claim Objections***

Claim 2 is objected to because of the following informalities:

There are two (vii), the first should be (vi). Appropriate correction is required.

### ***Claim Rejections - 35 USC § 101***

Claims 1-9 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claims 1-9 are directed to non-statutory subject matter because they lack any recitation of technology in the body of the claims, which is required in order to meet the statutory requirements. The Patent Office had taken the position that some form of

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technology must be claimed in the body of the claim. The Board of Patent Appeals and Interferences has stated that claims lacking any technology are “nothing more than [an] abstract idea which is not tied to any technological art and is not a useful art as contemplated by the Constitution.” *Ex parte Bowman*, 61 USPQ2d 1669, 1671 (Bd. Pat. App. & Inter. 2001) (Unpublished). While it is understood that the Bowman case is not precedential, it is cited herein for its content and reasoning. The Examiner suggests including claim language directed to a computer in the body of the claim to overcome this rejection.

### *Claim Rejections - 35 USC § 102*

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

The changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) and the Intellectual Property and High Technology Technical Amendments Act of 2002 do not apply when the reference is a U.S. patent resulting directly or indirectly from an international application filed before November 29, 2000. Therefore, the prior art date of the

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reference is determined under 35 U.S.C. 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. 102(e)).

*Claim 1 is rejected under 35 U.S.C. 102(e) as being anticipated by the Maples patent (US 6,381,585).*

The Maples patent discloses a method of operating a financial instrument associated with a company, the method comprising:

Establishing a financial instrument to include a first claim on a company at a first seniority level, the financial instrument being associated with a predefined future time period and with one or more specified events which the company may experience during the period,

Upon one of the specified events occurring during the period, transforming the first claim being transformable to a predefined second claim having a second seniority level lower than the first seniority level (col. 2, line 53 through col. 3, line 29) (claim 1).

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 2-7 are rejected under 35 U.S.C. 103(a) as being unpatentable over the Maples patent.

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The Maples patent discloses all the elements of the present invention, as stated above, except:

The specified events comprise at least one of the following operating events:

(i) staff problems,

(ii) organizational problems,

(iii) problems in relationships with counterparts to contract,

(iv) problems in relationships with counterparts in commercial arrangements,

(v) technology problems,

(vi) external environmental problems, and

(vii) natural disasters (Examiner takes Official Notice that such problems are common causes of bankruptcy and well known in the art, and that bankruptcy is a natural consideration and/or risk associated with buying financial instruments) (claim 2);

upon an event occurring which is alleged to be one of the specified events, the transformation is effected only upon verification by an independent party that a qualifying event has occurred (Examiner takes Official Notice that when bankruptcies occur, they are verified by an independent party such as a judge in a court of law, such is common knowledge in the realm of financial instruments) (claim 3);

the second claim depends upon a value associated with the specified event which has occurred (col. 2, line 53 through col. 3, line 29) (claims 4 and 5); and

the difference in the respective values of the first and second claims is a function of the value associated with the specified event which has occurred (col. 2, line 53 through col. 3, line 29) (claims 6 and 7).

*Claims 8-9 are rejected under 35 U.S.C. 103(a) as being unpatentable over the Maples patent, as discussed above, and further in view of the Grigsby patent application (US 2002/0016758).*

The Maples patent discloses a computer-based method of establishing a value of an instrument associated with a company comprising the steps of:

Including a first claim on a company at a first seniority level, attendant to a financial instrument being associated with a predefined future time period and with one or more events or contingent events which the company may experience during the period (col. 2, line 53 through col. 3, line 29),

Upon one of the specified events occurring during the period, providing for the transformation of the first claim to a predefined second claim having a second seniority level lower than the first seniority level (col. 2, line 53 through col. 3, line 29) (claims 8 and 9).

The Maples patent lacks:

Obtaining or providing a statistical model of the likelihood of occurrence of the specified event or events, and

Deriving the value of the instrument using the statistical model and respective values of the first and second claims (claims 8 and 9).

The Grigsby patent teaches:

Obtaining or providing a statistical model of the likelihood of occurrence of the specified event or events (Grigsby, [0070]), and

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Deriving the value of the instrument using the statistical model and respective values of the first and second claims (Grigsby, [0070]) (claims 8 and 9).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified the Maples system with the teachings of the Grigsby patent so as to provide a more accurate, representative value.

### ***Conclusion***

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. The Maerz, Ross and Ryan patents are all directed to electronic commerce systems. The Fabozzi reference discloses the indenture issues.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Sandra Snapp whose telephone number is 703-305-6940. The examiner can normally be reached on Mon.-Thurs.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on 703-308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



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